

(Caption of Case)

Approval of Amendment to Contract for Electric
Service between South Carolina Electric & Gas
Company and Owen Electric Steel of South Carolina
d/b/a CMC Steel f/k/a SMI Steel

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 1997 - 294 - E

(Please type or print)

Submitted by: Benjamin P. MustianSC Bar Number: 68269Address: P.O. Box 8416Telephone: 803-252-3300Columbia, SC 29202-8416Fax: 803-256-8062

Other: _____

Email: bmustian@willoughbyhofer.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)☐ Emergency Relief demanded in petition☐ Request for item to be placed on Commission's Agenda expeditiously☒ Other: _____**INDUSTRY (Check one)****NATURE OF ACTION (Check all that apply)**

- | | | | |
|--|--|--|---|
| <input checked="" type="checkbox"/> Electric | <input type="checkbox"/> Affidavit | <input checked="" type="checkbox"/> Letter | <input type="checkbox"/> Request |
| <input type="checkbox"/> Electric/Gas | <input type="checkbox"/> Agreement | <input type="checkbox"/> Memorandum | <input type="checkbox"/> Request for Certification |
| <input type="checkbox"/> Electric/Telecommunications | <input type="checkbox"/> Answer | <input type="checkbox"/> Motion | <input type="checkbox"/> Request for Investigation |
| <input type="checkbox"/> Electric/Water | <input type="checkbox"/> Appellate Review | <input type="checkbox"/> Objection | <input type="checkbox"/> Resale Agreement |
| <input type="checkbox"/> Electric/Water/Telecom. | <input type="checkbox"/> Application | <input type="checkbox"/> Petition | <input type="checkbox"/> Resale Amendment |
| <input type="checkbox"/> Electric/Water/Sewer | <input type="checkbox"/> Brief | <input type="checkbox"/> Petition for Reconsideration | <input type="checkbox"/> Reservation Letter |
| <input type="checkbox"/> Gas | <input checked="" type="checkbox"/> Certificate | <input type="checkbox"/> Petition for Rulemaking | <input type="checkbox"/> Response |
| <input type="checkbox"/> Railroad | <input type="checkbox"/> Comments | <input type="checkbox"/> Petition for Rule to Show Cause | <input type="checkbox"/> Response to Discovery |
| <input type="checkbox"/> Sewer | <input type="checkbox"/> Complaint | <input type="checkbox"/> Petition to Intervene | <input type="checkbox"/> Return to Petition |
| <input type="checkbox"/> Telecommunications | <input type="checkbox"/> Consent Order | <input type="checkbox"/> Petition to Intervene Out of Time | <input type="checkbox"/> Stipulation |
| <input type="checkbox"/> Transportation | <input type="checkbox"/> Discovery | <input type="checkbox"/> Prefiled Testimony | <input type="checkbox"/> Subpoena |
| <input type="checkbox"/> Water | <input type="checkbox"/> Exhibit | <input type="checkbox"/> Promotion | <input type="checkbox"/> Tariff |
| <input type="checkbox"/> Water/Sewer | <input type="checkbox"/> Expedited Consideration | <input checked="" type="checkbox"/> Proposed Order | <input checked="" type="checkbox"/> Other: Redact Agreement |
| <input type="checkbox"/> Administrative Matter | <input type="checkbox"/> Interconnection Agreement | <input type="checkbox"/> Protest | |
| <input type="checkbox"/> Other: | <input type="checkbox"/> Interconnection Amendment | <input type="checkbox"/> Publisher's Affidavit | |
| | <input type="checkbox"/> Late-Filed Exhibit | <input type="checkbox"/> Report | |

WILLOUGHBY & HOEFER, P.A.

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*ALSO ADMITTED IN TX

September 14, 2010

VIA HAND DELIVERY

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Approval of Amendment to Contract for Electric Service between South Carolina Electric & Gas Company and Owen Electric Steel of South Carolina d/b/a CMC Steel f/k/a SMI Steel
Docket No. 1997-294-E

Dear Ms. Boyd:

South Carolina Electric & Gas Company ("Company" or "SCE&G") hereby files and seeks approval of an amendment ("Arc Furnace Fourth Amendment") to the Contract for Electric Service ("Arc Furnace Contract") between the Company and Owen Electric Steel of South Carolina d/b/a/ CMC Steel f/k/a SMI Steel ("CMC Steel"). The contract was originally approved by the Commission in Order No. 97-696, dated August 12, 1997, and Order No. 97-825, dated September 24, 1997, in Docket 97-294-E. Previous amendments to the contract were approved by the Commission in Order No. 2005-345, dated June 20, 2005, and in Order No. 2008-424, dated June 17, 2008.

The Company also files and seeks approval of an amendment ("Rolling Mill Third Amendment") to a Contract for Electric Service ("Rolling Mill Contract") between the Company and Owen Electric Steel of South Carolina d/b/a/ CMC Steel f/k/a SMI Steel ("CMC Steel"). The Rolling Mill Contract was originally executed by SCE&G and CMC Steel on June 1, 1997 and was subsequently amended on November 25, 2002 ("Rolling Mill First Amendment"), and October 9, 2007 ("Rolling Mill Second Amendment").¹ Pursuant to the terms of the Arc

¹ The Rolling Mill Contract and the First and Second Amendments thereto were not submitted for approval by the Commission inasmuch as the rates in the contract and the First and Second Amendments were consistent with the Company's approved tariffs. See 26 S.C. Code Ann. Reg. 103-303(A). Pursuant to the terms of the Rolling Mill Third Amendment, the rates and charges to be charged for electric service rendered to the Rolling Mill premises on and after July 1, 2010, may differ from the Company's currently approved tariff rates. SCE&G is, therefore,

(Continued . . .)

Furnace Fourth Amendment and the Rolling Mill Third Amendment, CMC Steel may be billed (based upon CMC Steel's service election) for both premises pursuant to a common rate structure reflected in the amendments. Therefore, SCE&G is submitting both amendments to the Commission for its consideration and approval in the above-referenced docket.

Under the Arc Furnace Contract, SCE&G serves CMC Steel's arc furnace located in Cayce, South Carolina. The Arc Furnace Contract is an Interruptible Service Agreement at a delivery voltage of 230kV. Similarly, under the Rolling Mill Contract, SCE&G serves CMC Steel's rolling mill which is also located in Cayce, South Carolina. The Rolling Mill Contract is an Interruptible Service Agreement at a delivery voltage of 115kV. Due to the commercial sensitivity and proprietary nature of certain provisions of these contracts and amendments as well as the highly competitive nature of the steel industry, SCE&G respectfully requests that the Commission find that the documents enclosed herein contain protected information and issue a protective order barring the disclosure of this agreement under the Freedom of Information Act, S.C. Code Ann. §§ 30-4-10 *et seq.*, S.C. Code Ann. Regs. 103-804(S)(1), or any other applicable provision of law, except in redacted form. Pursuant to 26 S.C. Code Regs. 103-804(S)(2), the determination of whether a document may be exempt from disclosure is within the Commission's discretion and such a finding would be justified because of the sensitive, competitive information contained in the contracts and amendments and would be consistent with the Commission's previous holding in Order No. 97-825 wherein the Arc Furnace Contract was afforded confidential treatment.

In furtherance of our request to protect from disclosure these contracts and amendments, and in accordance with Commission Order No. 2005-226, dated May 6, 2005, in Docket No. 2005-83-A, we enclose with this letter redacted versions of the Arc Furnace Amendment, Rolling Mill Contract, Rolling Mill First Amendment, Rolling Mill Second Amendment and Rolling Mill Third Amendment. The redactions protect from disclosure the sensitive, proprietary and commercially valuable information, while making available for public viewing non-protected information. We also enclose in a sealed envelope marked "CONFIDENTIAL" copies of the unredacted documents. SCE&G respectfully requests that, in the event anyone should seek disclosure of these unredacted documents, the Commission notify SCE&G of such request and provide it with an opportunity to obtain an order from this Commission or a court of competent jurisdiction protecting the documents from disclosure.

A listing of the enclosures with this letter follows:

- (1) True and correct copies of the Arc Furnace Fourth Amendment, Rolling Mill Contract, Rolling Mill First Amendment, Rolling Mill Second Amendment and Rolling Mill Third Amendment are enclosed herewith in a sealed envelope marked "CONFIDENTIAL." Each page of each document is also marked "CONFIDENTIAL."

submitting the Rolling Mill Third Amendment to the Commission for approval. The Company is providing to the Commission a copy of the Rolling Mill Contract and the First and Second amendments thereto for informational purposes to assist the Commission in its review.

(Continued . . .)

- (2) Ten copies of redacted versions of the Arc Furnace Fourth Amendment, Rolling Mill Contract, Rolling Mill First Amendment, Rolling Mill Second Amendment and Rolling Mill Third Amendment are enclosed for filing and public disclosure.

By copy of this letter, we are providing the South Carolina Office of Regulatory Staff ("ORS") with a redacted copy of the documents for its records. Additionally, SCE&G has made the original, unredacted copy of each document available for ORS's review.

Finally, for your consideration and use as you may deem appropriate, we have enclosed a proposed order making findings consistent with the request made in this letter.

Thank you for your assistance and consideration of this matter. If you have any questions, please do not hesitate to contact me. With best regards, I am,

Respectfully,

WILLOUGHBY & HOEFER, P.A.



Benjamin P. Mustian

MW/cgc
enclosure

cc: Nanette S. Edwards, Esquire (w/redacted copies as enclosure)
Jeffrey M. Nelson, Esquire (w/redacted copies as enclosure)
Damon E. Xenopoulos, Esquire (w/redacted copies as enclosure)
Counsel for CMC Steel
K. Chad Burgess, Esquire (w/ redacted copies as enclosure)
Mitchell Willoughby, Esquire

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 1997-294-E

IN RE:

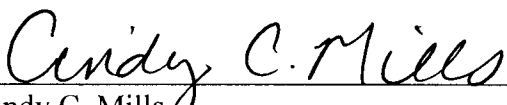
Approval of Amendment to Contract)
for Electric Service between South)
Carolina Electric & Gas Company)
and Owen Electric Steel of South)
Carolina d/b/a CMC Steel f/k/a SMI Steel)
_____)

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day one (1) copy of a Letter,
Proposed Order and Redacted Agreements by placing same in the care and custody of
the United States Postal Service with first class postage affixed thereto and addressed as
follows:

Nanette S. Edwards, Esquire
Jeffrey M. Nelson, Esquire
South Carolina Office of Regulatory Staff
P.O. Box 11263
Columbia, SC 29211

Damon E. Xenopoulos, Esquire
Brickfield, Burchette, Ritts & Stone, P.C.
1025 Thomas Jefferson Street, N.W.
Eighth Floor - West Tower
Washington, DC 20007



Cindy C. Mills

Columbia, South Carolina
September 14, 2010

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 1997-294-E – ORDER NO. 2010-_____
SEPTEMBER __, 2010

IN RE:)
)
Request of South Carolina Electric & Gas)
Company for Approval of a Contract for Electric)
Service between the Company and CMC Steel.)

**ORDER APPROVING
CONTRACT AMENDMENT**

This matter comes before the Public Service Commission of South Carolina (the “Commission”) on the request of South Carolina Electric & Gas Company (“SCE&G” or the “Company”) for approval of an amendment (“Arc Furnace Fourth Amendment”) to the contract between the Company and Owen Electric Steel of South Carolina d/b/a CMC Steel f/k/a SMI Steel (“CMC Steel”) for electric service to CMC Steel’s arc furnace facilities. SCE&G also requests approval of an amendment (“Rolling Mill Third Amendment”) to the contract (“Rolling Mill Contract”) between the Company and CMC Steel for electric service to CMC Steel’s rolling mill facilities.

SCE&G currently serves CMC Steel’s arc furnace located in Cayce, South Carolina pursuant to an Interruptible Service Agreement. This contract was originally approved by the Commission in Order No. 97-696, dated August 12, 1997, and Order No. 97-825, dated September 24, 1997, both issued in Docket 97-294-E. Thereafter, the Commission approved amendments to the contract in Order No. 2005-345, dated June 20, 2005, and in Order No. 2008-424, dated June 17, 2008. SCE&G now seeks approval to further amend this contract to modify the terms and rates for service.

SCE&G also serves CMC Steel's plant containing its rolling mill located in Cayce, South Carolina pursuant to an Interruptible Service Agreement. SCE&G states that the Rolling Mill Contract and the previous first and second amendments thereto did not require Commission approval because the rates set forth in those three documents did not differ from the Company's Commission approved tariff or rates. *See* 26 S.C. Code Ann. Reg. 103-303(A) (Supp. 2009.). However, SCE&G states that the rates set forth in the Third Amendment of the Rolling Mill contract ("Rolling Mill Third Amendment") may differ from the Company's approved tariff rates. Furthermore, SCE&G asserts that, pursuant to the terms of the Arc Furnace Fourth Amendment and the Rolling Mill Third Amendment, CMC Steel may be billed for both premises pursuant to a common rate structure as reflected in the two amendments. Therefore, SCE&G submitted both amendments to the Commission for review, consideration and approval in the above-captioned docket.

SCE&G also requests that the Commission find that the Arc Furnace Fourth Amendment, Rolling Mill Contract, Rolling Mill First Amendment, Rolling Mill Second Amendment, and Rolling Mill Third Amendment contain highly confidential and sensitive information which should be protected from public disclosure. Further, SCE&G requests that the Commission issue a protective order barring the disclosure of the Amendment under the Freedom of Information Act, S.C. Code Ann. §§ 30-4-10 *et seq.*, S.C. Code Ann. Regs. 103-804(S)(1), or any other applicable provision of law, except in redacted form. SCE&G states in its request that certain provisions of these documents contain commercially sensitive and proprietary information. SCE&G also states that these facts coupled with the highly competitive nature of the steel industry justify designating these documents as confidential.

The South Carolina Office of Regulatory Staff (“ORS”) is a party of record to this proceeding pursuant to S.C. Code Ann. § 58-4-10(B) (Supp. 2009). By letter dated _____, ORS informed the Commission that it supports SCE&G’s request to amend the Rolling Mill and Arc Furnace contracts with CMC Steel.

Based upon a careful examination of the Arc Furnace Fourth Amendment, the Rolling Mill Third Amendment and SCE&G’s request, we find the amendments to be fair and reasonable and hereby approve them as filed to be effective on and after the date of execution by SCE&G and CMC Steel.

Further, based upon SCE&G’s representations and the Commission’s careful examination of the terms of the Arc Furnace Fourth Amendment, the Rolling Mill Contract, the Rolling Mill First Amendment, the Rolling Mill Second Amendment, and the Rolling Mill Third Amendment, the Commission finds that these documents contain commercially sensitive information and that the proprietary nature of certain provisions of these agreements coupled with the highly competitive nature of the steel industry justify designating these documents CONFIDENTIAL.

The South Carolina Freedom of Information Act (“FOIA”) allows proprietary business information that meets the definition of “trade secrets” to be exempt from disclosure. S.C. Code Ann. Section 30-4-40(a)(1) states that matters which may be exempt from FOIA include: “(1) Trade secrets, which are defined as unpatented, secret, commercially valuable plans, appliances, formulas, or processes Trade secrets also include, for those public bodies who market services or products in competition with others, feasibility, planning, and marketing studies, and evaluations and other materials which contain references to potential customers, competitive information or evaluation.” Further, pursuant to 26 S.C. Code Ann. Regs 103-804(S)(2), it is

within the Commission's discretion to issue an order protecting a document from public disclosure.

Based upon a review of the information that SCE&G seeks to protect and a careful review of the governing law, the Commission finds that the information contained in the Arc Furnace Fourth Amendment, Rolling Mill Contract, Rolling Mill First Amendment, Rolling Mill Second Amendment, and Rolling Mill Third Amendment falls within the scope of materials which may be exempted from disclosure under FOIA. Because of the potential harm to SCE&G's business and practices, as well as the business needs of its customer, we find a protective order should be issued protecting the redacted information from public disclosure. Further, based upon SCE&G's representations and the Commission's careful examination of the terms of the agreements, the Commission agrees with SCE&G and so finds that the documents are confidential and commercially sensitive.

Based upon all of the information before us and our findings set forth above, **IT IS HEREBY ORDERED THAT:**

1. The Arc Furnace Fourth Amendment to the contract between South Carolina Electric & Gas Company and Owen Electric Steel of South Carolina d/b/a CMC Steel f/k/a SMI Steel is fair and reasonable and is hereby approved.

2. The Rolling Mill Third Amendment to the contract between South Carolina Electric & Gas Company and Owen Electric Steel of South Carolina d/b/a CMC Steel f/k/a SMI Steel is fair and reasonable and is hereby approved.

3. The request of SCE&G for confidential treatment is granted. Accordingly, the Arc Furnace Fourth Amendment, Rolling Mill Contract, Rolling Mill First Amendment, Rolling Mill Second Amendment, and Rolling Mill Third Amendment are hereby declared to be confidential,

shall therefore be afforded confidential treatment, and shall be protected from public disclosure pursuant to the provisions of S.C. Code Ann. Section 30-4-40(a)(1), 26 S.C. Code Ann. Regs 103-804(S)(2) and other applicable law. A redacted version of the documents will be made available for public review.

4. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

John E. Howard, Chairman

ATTEST:

David A. Wright, Vice-Chairman

(SEAL)

**THIRD AMENDMENT TO CONTRACT FOR ELECTRIC SERVICE
(Related to SMI Rolling Mill)**

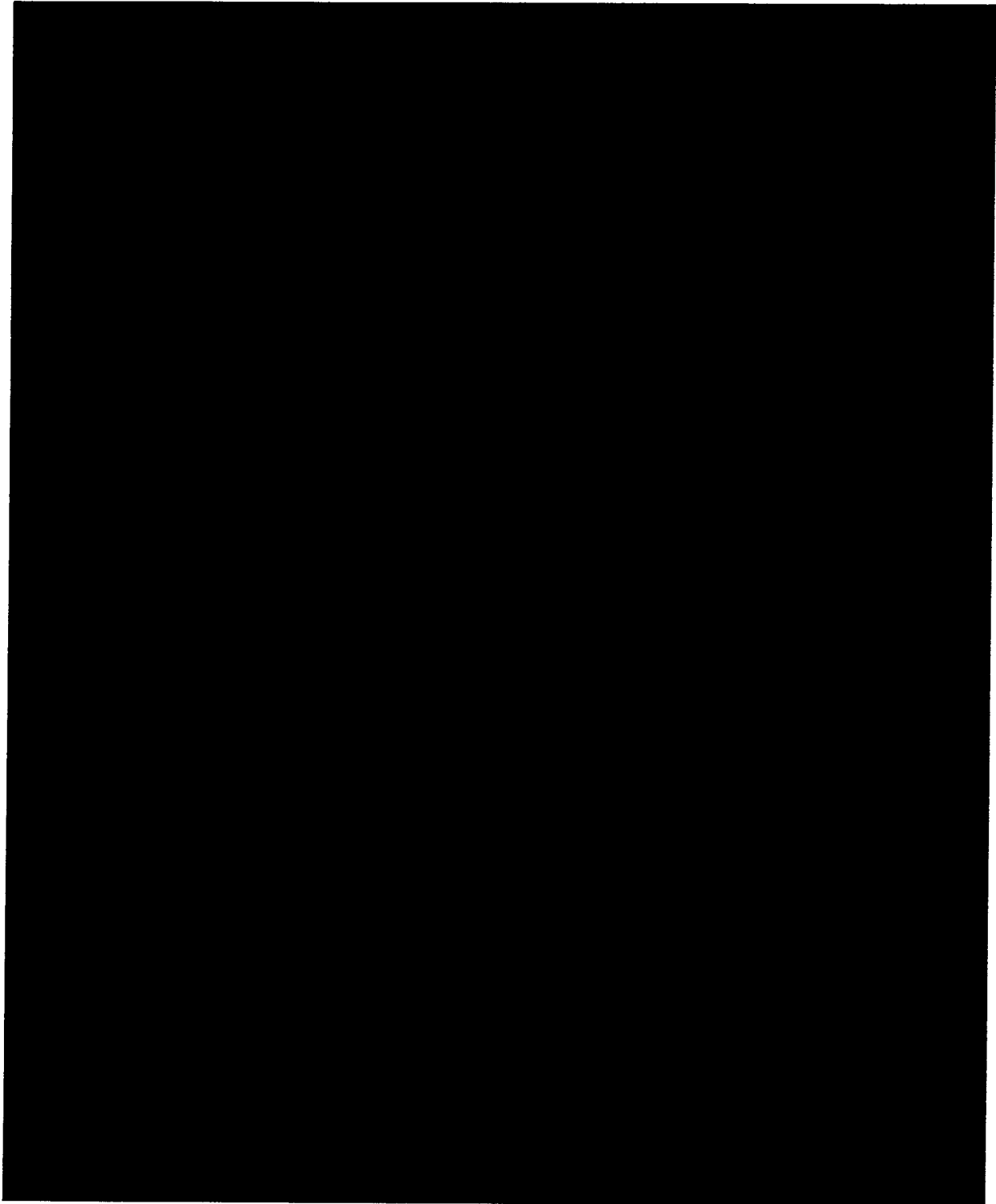
1 **WHEREAS**, South Carolina Electric & Gas Company (hereafter called "SCE&G" or
2 "Company") and Owen Electric Steel of South Carolina D/B/A CMC Steel South Carolina
3 (hereafter called "Customer") have previously entered into a Contract for Electric Service
4 (contract number – E9702138) dated June 1, 1997 ("Rolling Mill Contract"), Amendment to
5 Contract for Electric Service, dated November 25, 2002 ("First Amendment"), and Second
6 Amendment to Contract for Electric Service, dated October 9, 2007 ("Second Amendment") for
7 the provision of electric service to the SMI Rolling Mill, and,

8 **WHEREAS**, Company and Customer now desire to further amend said Rolling Mill
9 Contract for Electric Service in certain particulars:

10 **NOW**, therefore, for and in consideration of the mutual covenants herein contained, the
11 parties hereto agree to the terms of this Third Amendment to Contract for Electric Service
12 ("Third Amendment"):

- 13 1. Subject to the conditions set forth in Paragraph 3 hereinbelow, ten days after the
14 Company's receipt of written notice of Customer's election to proceed pursuant to
15 the terms of this Third Amendment, the rate terms set forth in the Rolling Mill
16 Contract, the First Amendment, and the Second Amendment shall be further
17 amended as follows:
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4. This Third Amendment along with the predecessor agreements listed hereinabove, subject to the terms and conditions contained herein, shall remain in effect until December 31, 2013, or the date the Company implements newly approved rates

1 following its next non-fuel, non-nuclear base rate case before the Commission,
2 whichever occurs later.

3 Except as specifically amended herein, all other provisions of the Rolling Mill Contract,
4 First Amendment, and Second Amendment shall remain in full force and effect and this Third
5 Amendment shall be attached to and by this reference incorporated into the said Rolling Mill
6 Contract and made a part of the agreement of the parties for electric service.

7 Company and Customer hereby agree to keep the terms of the Rolling Mill Contract and
8 subsequent amendments confidential, including this Third Amendment. The Customer agrees to
9 support the Company in any request to the Commission to file this Third Amendment under seal.
10 This Third Amendment is subject to the approval of the Commission and any and all provisions
11 herein are subject to change by orders of the Commission.

12
13 **South Carolina Electric & Gas Company**

14
15 **Witness:**

16 Chris Kleckley

By:

William G. Watkins

Print:

WILLIAM G. WATKINS

Its:

MANAGER, LARGE CUSTOMERS

DATED: 6-21-10

18
19
20
21 **Owen Electric Steel of South Carolina**

22
23 **Witness:**

24 Dhawn H. Burkett

By:

Dennis Malatek

Print:

DENNIS MALATEK

Its:

VP/GM

South Carolina Electric & Gas Company
CONTRACT FOR ELECTRIC SERVICE

ORIGINAL

Effective Date: June 1, 1997

Contract No. : E9702138

This Copy to be returned for
files of S. C. Electric & Gas Company

THE PARTIES HEREIN NAMED AGREE TO THE FOLLOWING

Customer's Legal Name: SMI Steel - South Carolina

Trade or Local Name: SMI Steel - South Carolina

Premises Served: ~~SMI Rolling Mill~~ Cayce, SC

Service Address: Route 66, New State Road, Cayce, SC 29033

Billing Address: PO Box 2005, Cayce, SC 29171

Initial Term Ends [REDACTED] After Service Date; Minimum Termination Notice [REDACTED]

Service Date: June 1, 1997 If this Contract Covers an Existing Service, its purpose is to:

Amends the "Contract for Electric Service" between Owen Electric Steel Company of South Carolina and South Carolina Electric and Gas Company, dated October 1, 1991 (Contract # E02911024).

Special Provisions/Extra
Facilities/Explanations:

* See attached Exhibits "A", "B" & "C"

Approved Initials:


For Customer


For Company

Page 1

0189800036026

CLP # E9702138

EXHIBIT "A"

I. GENERAL

A. General Terms and Conditions:

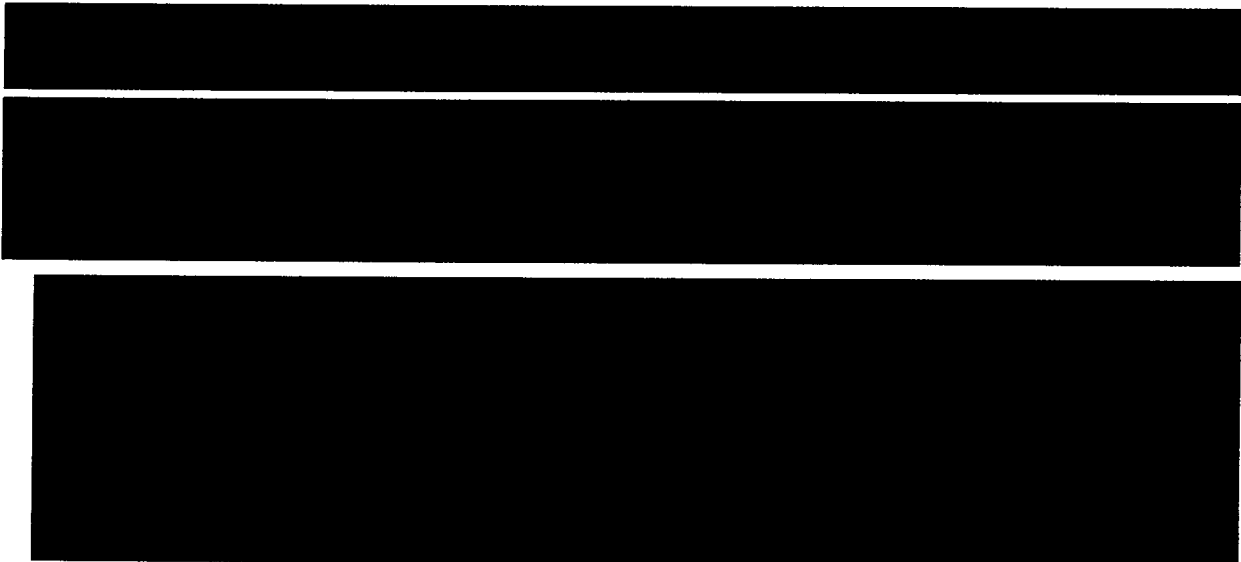
Company's GENERAL TERMS AND CONDITIONS dated January 15, 1996 and STANDARD CONDITIONS (form 284-1 (6-90)) as revised from time to time are included and are made a part of this Agreement. Revisions to such General Terms and Conditions and Standard Conditions are effective upon approval by the South Carolina Public Service Commission (SCPSC, or Commission). Upon the approval of this agreement by the South Carolina Public Service Commission, the terms and conditions spelled out in the body of this Agreement shall control in the event of any conflict between this Agreement and the Company's General Terms and Conditions and Standard Conditions.

B. Customer agrees to buy all electric energy from Company required by Customer to serve the Rolling Mill at this location.

C. Company and Customer hereby agree to keep the terms of this Contract confidential. The Customer agrees to support the Company in its request to the South Carolina Public Service Commission to file this Contract under seal.

D. In the event Customer is unable, wholly or in part, by reason of Force Majeure (as defined in the Company's General Terms & Conditions, Section VII) to carry out its obligations to take service under Company's Rate Schedules or Contracts, the obligations of Customer, insofar as they are affected by such Force Majeure, shall be suspended for the duration of any inability so caused but for no longer period.

II. RATES



III. SERVICE FACILITIES




EXHIBIT "B"

METERING PULSE AGREEMENT

For value received and considerations contained herein, Company and Customer hereby agree to the following:

1. Customer requests, for its convenience and necessity, that Company furnish and install extra facilities at and in conjunction with its billing metering equipment, to generate and make available to Customer energy and time pulses. Pulses so provided are to be used by Customer solely for load management or monitoring, and Customer agrees not to use the pulses in any manner to circumvent Company's rate structure. Under no condition will Company's demand meter registration be waived for billing purposes.

2. Requested date for Company to complete the installation is September 1997 and shall be included in the construction work associated with the relocation of the Rolling Mill Substation. Company will make every reasonable effort to meet this date, but can make no guarantee therefor. Customer hereby grants to Company the right of ingress and egress for installation, inspection, maintenance, and removal of its equipment.



5. The metering pulse equipment is shown by diagram on attached Exhibit "A". The termination cabinet will be installed by Company at a mutually agreeable location near the meter, and Customer will bring its control circuit to this point and connect to the terminals provided.

6. The special metering pulse equipment, installed by Company shall remain the property of Company, and Customer may not alter, repair, disconnect or remove any of the equipment.

7. Company will provide maintenance only to its equipment, and only upon notification and request by Customer, at the expense of Customer. Should Customer cause Company to make a service call and the trouble is found not to be in Company's equipment, Customer will pay to the Company a reasonable service charge.

8. Company reserves the right to change the pulse values when and if it is required to enlarge its service facilities or replace its associated metering equipment, and Customer will be responsible for making any necessary accommodations in its system to utilize the changed values. Company can assume no responsibility or liability for interruption or malfunction of its pulse equipment, but will give Customer as much advance notice as practical of any known or planned interruption of pulses, within its control.

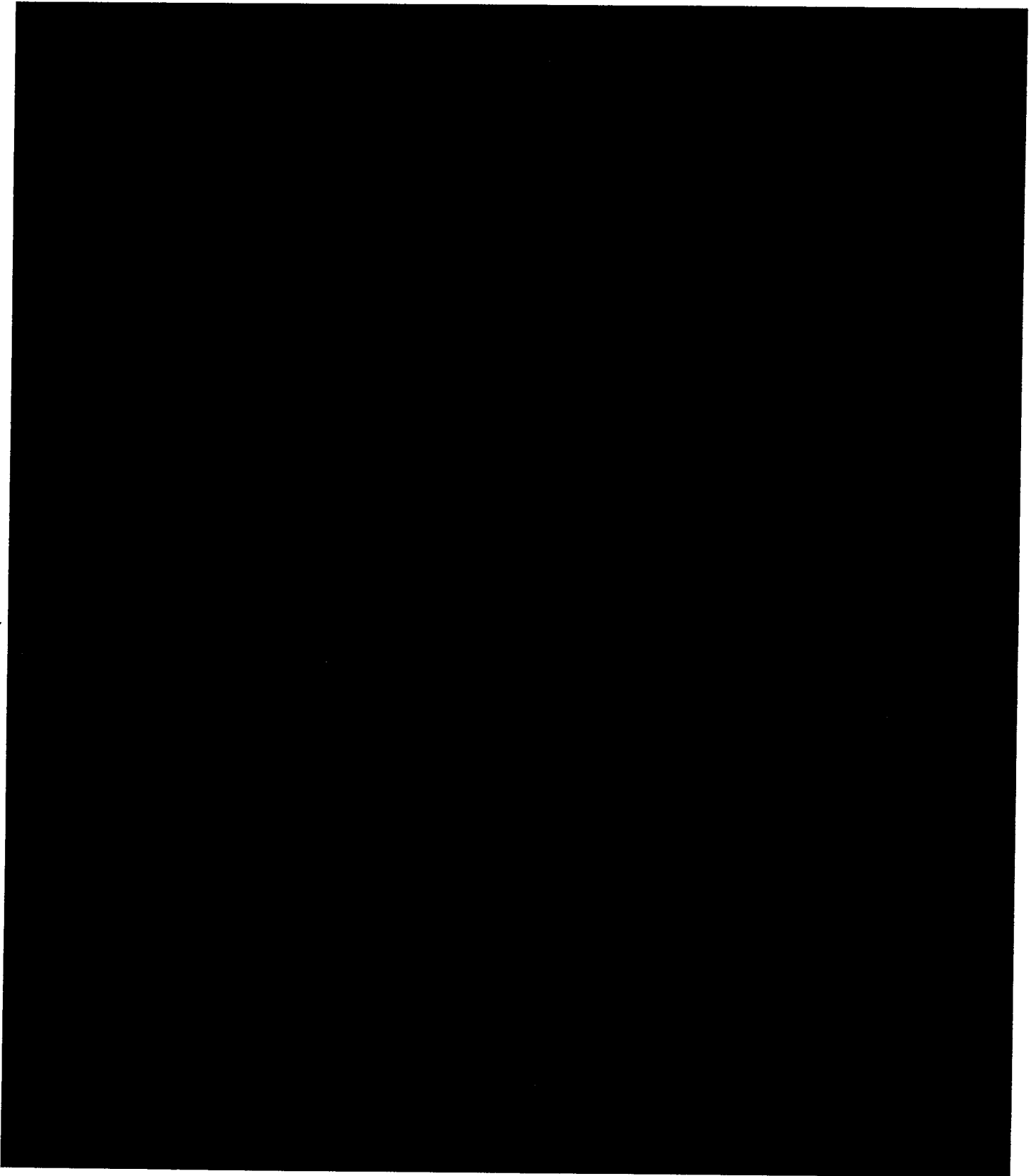
9. Company provides no warranty, express or implied, as to the provision, continuity or adequacy of data, or of the equipment or circuitry dedicated solely to providing such data. THE COMPANY SPECIFICALLY EXCLUDES ANY AND ALL WARRANTY OF MERCHANTABILITY, AND FURTHER, MAKES NO WARRANTY THAT THE EQUIPMENT IS FIT FOR ANY PARTICULAR PURPOSE.

10. Customer agrees to indemnify, defend, and save Company harmless from all liability on account of any damages, claims or actions, including injury to and death of persons, arising from the installation, maintenance, operation and/or removal of the facilities referred to herein, except for those damages, claims or actions, including injury to and death of persons, arising out of the sole negligence of the Company. In any event Customer agrees that Company shall not be responsible for any consequential damages, resulting from the installation, maintenance, operations and/or removal of the facilities described herein.

11. This Agreement shall run concurrently with the Contract for Electric Service between Company and Customer dated June 1, 1997, and any extension thereof, and shall terminate upon termination of the Electric Service Agreement. Any inconsistency between the provisions herein and the Electric Service Agreement shall be construed in favor of the Electric Service Agreement.

12. It is understood that this Agreement is subject to change, modification or annulment by the South Carolina Public Service Commission at any time in the manner prescribed by law, and that this Agreement, as well as, the services rendered hereunder are also subject to the Rules and Regulations of the Commission and to the General Terms and Conditions of the Company, as files with the Commission, as the same now exists or may hereafter be amended.

EXHIBIT C



STANDARD CONDITIONS

Supply and Use: Company agrees to sell and Customer agrees to buy from Company all purchased electric energy required by Customer for use on its premises covered hereunder.

Service Application, Deposit and Release: Prior to receiving service, Customer or its Agent must: (a) Ensure that an application for service is made to Company, either in person at one of Company's commercial offices or through the Company representative coordinating the service arrangements; (b) Post a service deposit with Company (as determined by Company in accordance with Public Service Commission regulations), unless waived by Company in favor of other satisfactory assurance for payment of bills; and (c) Ensure that any inspection required by governmental authorities having jurisdiction are completed and notice thereof is given to the Company.

Commencement of New Service: Company and Customer shall make every reasonable effort to have their respective facilities ready for service by the **Service Date** stated on Page 1. If conditions beyond the reasonable control of either party cause the service date to change, the affected party shall immediately notify the other, and a new date shall be mutually agreed upon.

Term: This Contract shall become effective on the **Effective Date** and shall continue for the full **Initial Term**, unless an early termination is mutually agreed upon. Thereafter, it will extend automatically until terminated by either party giving the other a written **Minimum Termination Notice**. Billing for service rendered hereunder shall commence on the **Service Date** or the date that service is first made available, whichever is later, or in accordance with terms stated under **Special Provisions**. (*Bold Print terms reference the corresponding completed blanks on Page 1.*)

Termination: Should Customer terminate this contract for any reason, either during the initial term or any extension thereof unless waived as provided for herein, Customer shall pay to the Company a termination charge equal to the total installed cost of facilities dedicated solely for serving Customer, less any Customer contribution to construction, less accumulated depreciation of the facilities funded by Company, less salvage value of all facilities dedicated solely for serving Customer, plus the cost of removal (including any associated environmental investigation/remediation costs paid or incurred by Company related to a spill or release of hazardous substances caused by customer), all as determined by Company in accordance with its standard accounting practices; provided, however, that the termination charge shall not be less than zero. Company may waive a portion or all the termination charge where (1) a successor contract is executed prior to termination of this Contract, (2) Customer is able to furnish Company with satisfactory evidence that a successor customer will occupy the premises within a reasonable time and contract for substantially the same service facilities, or (3) the facilities for serving have been fully depreciated.

Impaired Service: Customer shall be responsible for installing and maintaining on its system such protective equipment as necessary for protecting its equipment from single phase conditions, momentary interruptions or voltage fluctuations arising from conditions on its system or from Company's supply lines. Customer shall not operate its equipment of such nature and in such manner as to impose voltage flicker, surges, or harmonics on Company's system that adversely affects its service to other Customers. Adverse conditions verifiable as of Customer origin shall be corrected promptly by Customer, or upon notice Company may discontinue service until the conditions are corrected.

Load Increase: If Customer contemplates a load increase which may exceed the **Maximum Capacity** stated on Page 1, Customer shall give Company written notice of planned increase, with sufficient lead time for Company to enlarge its facilities. In such cases this Contract may be amended by mutual consent of the parties to reflect any changes in the service characteristics, applicable charges or conditions of service.

Facility Relocation: Should Customer request Company to relocate any of its facilities, or take any action which will require Company to relocate its facilities, Customer shall reimburse Company for the costs incurred.

Hold Harmless: Company and Customer do respectively assume full responsibility for the maintenance and operation of the facilities owned and/or operated by each, and each shall indemnify and hold the other harmless from any loss resulting from bodily injury (including death) or damage of property arising directly or indirectly out of any negligent or willful act or failure to act on the indemnitor's part in the installation, maintenance, operation, replacement and/or removal of the facilities owned and operated by each. Neither party shall be liable to the other in any event, whether in contract, tort or otherwise, for any loss of revenue, profits, use of production, costs of capital or purchased or replacement power, interest, business interruption, claims of customers or any other incidental, indirect or consequential damages of any nature whatsoever. Customer(s) acknowledge(s) the presence of overhead and/or underground power lines and understands that contact with them could cause serious injury or death.

South Carolina Public Service Commission: This Contract, the **Rate** referenced on Page 1, and all services rendered hereunder, are subject to the Company's "General Terms and Conditions" as approved by the Commission, and to the "Rules and Regulations" of the Commission, as the foregoing now exist or may be amended in the manner prescribed by law. Copies of the Rate and General Terms and Conditions are attached and made a part hereof; Rules and Regulations are made a part by reference and are available upon request.

This contract supersedes all previous oral or written agreements covering the same service.

SMI STEEL - SOUTH CAROLINA

By: [Signature]

Title: President

Witness: [Signature]

SOUTH CAROLINA ELECTRIC & GAS COMPANY

By: [Signature]

Title: VICE-PRESIDENT CUSTOMER OPS

Witness: [Signature]

ORIGINAL

AMENDMENT TO CONTRACT FOR ELECTRIC SERVICE

This copy to be returned for
files of S. C. Electric & Gas Company

WHEREAS, South Carolina Electric and Gas Company, (hereafter called "Company") and SMI Steel - South Carolina, (hereafter called "Customer") have entered into a Contract (contract number-E970138) dated June 1, 1997, and,

WHEREAS, Company and Customer now desire to amend said Contract for Electric Service in certain particulars.

NOW, therefore, for and in consideration of the mutual covenants herein contained, the parties hereto agree:

Amend Section II-B, to read: Effective with Customer's November 2002 billing, Interruptible Service shall be taken under Option C of Company's Rate Schedule IS-Rider. This change shall remain in effect until the Company's new generating facility located near Jasper, South Carolina becoming commercially operational. In the first full billing month following Jasper becoming commercially operational, Interruptible Service shall revert back to Option A of Company's Rate Schedule IS-Rider.

Except as noted herein, all other provisions of the Contract dated June 1, 1997, shall remain in full force and effect and this agreement shall be attached thereto and incorporated into the said agreement.

In Witness whereof, the parties hereto have caused these presents to be duly executed this 25th day of November, 2002.

SMI Steel - South Carolina

Witness:

By:

Print:

Its:

PRESIDENT

South Carolina Electric & Gas Company

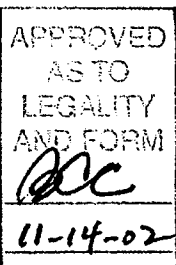
Witness:

By:

Print:

Its:

V.P., Large Customer Group



CLP # E 9702138

RCVD

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RIDER TO RATES 23 AND 24

INTERRUPTIBLE SERVICE

(Page 1 of 2)

AVAILABILITY

This schedule is available to any customer receiving concurrent service from the Company on Rate Schedules 23 or 24. The rider is limited to those customers that can contract for 1,000 KW or interruptible demand or greater during the months of June through September. The following provisions apply in addition to those stated in customer's firm rate schedule and current contract. New contracts will not be accepted under this program if the total contracted interruptible load for all customers equals or exceeds 100,000 KW. It is not available for resale service.

DEFINITIONS

- Firm Demand Level:** The Firm Demand Level (FDL) shall be the KW of demand specified in Interruptible Service Contract to which customer shall reduce his requirement at the time specified by the Company.
- Interruptible Demand:** Interruptible Demands (ID) shall be the positive difference between the KW of demand determined from the Company's metering facilities during each on-peak 15-minute interval in the current billing month less the Firm Demand Level (FDL). On-peak periods shall coincide with the exposure hours listed below.
- Exposure Period:** The Exposure Period is that period of time within the month during which the Company may curtail all of the customer's load in excess of Firm Demand Level (FDL). The Exposure Period shall be as follows:

| Billing Month | Exposure Hours | Available Days | Exclusions |
|------------------|------------------------|-----------------|----------------------|
| November - April | 6:00 a.m. - 12:00 p.m. | Monday - Friday | excluding holidays * |
| May - October | 1:00 p.m. - 9:00 p.m. | Monday - Friday | excluding holidays * |

*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

In case of a system emergency, firm service will have priority over interruptible service even if maximum curtailable hours have been exhausted.

- Curtailment Period:** The Curtailment Period is the period which the customer shall reduce KW demand to the Firm Demand Level (FDL). It shall begin and end at the times specified by the Company at the time of Curtailment Notification. In some cases, the Curtailment Period may be shortened by the Company due to system load or generation changes. In any case, the number of curtailed hours credited toward the annual maximum shall be the number of Curtailment Period hours initially requested by the Company at the time of Curtailment Notification.

- Curtailment Notification:** The Company will notify the customer of curtailments with as much advance notice as possible. Notification is currently made by telephone. The customer must provide the Company with telephone numbers that are staffed 24 hours per day. Minimum Curtailment Notification is four (4) hours to an interruption, except during a system emergency when ten (10) minutes notice will be given, if possible.

- Penalty Demand:** The Penalty Demand is maximum 15 minutes integrated demand in excess of Firm Demand Level (FDL) recorded by the customer during a Curtailment Period.

MONTHLY RATE

The rate per month shall be that stated on the Industrial Power Service Rate 23 or Large General Service Time-Of-Use Rate 24 schedules for the billing demand and the kilowatt-hours during the current billing month. The interruptible demand shall be reduced by the Demand Credit per KW stated for the option selected below:

| Option | Maximum Annual Curtailment Hours | Interruptible Demand Credit-per KW |
|--------|----------------------------------|------------------------------------|
| A | 150 | \$2.75 |
| C | 300 | \$4.50 |

PENALTY AND PENALTY CHARGE COMPUTATION

The Company reserves the right to discontinue service to a customer if the customer fails to interrupt as requested. Failure to interrupt as requested will result in the following penalties in addition to the charges set forth in this rider:

- * If the customer fails to interrupt when requested, all KW above Firm Demand Level (FDL) will be billed at the firm demand charge specified in the applicable firm rate schedule.
- * If the customer fails to interrupt a second time within the same billing month, the rate per KW will be two (2) times the firm demand charge specified in the applicable firm rate schedule.
- * If the customer fails to interrupt three (3) times during any twelve month period, the rider may be canceled and the customer billed all Interruptible Credits received for the preceding (12) months.
- * After cancellation of the rider, the customer may not reapply for Interruptible Service for three (3) years.

Effective for bills rendered on and after
the first billing cycle of January 1997

RIDER TO RATES 23 AND 24

INTERRUPTIBLE SERVICE

(Page 2 of 2)

INTERRUPTION OF SERVICE

The customer agrees that curtailment under this Interruptible Rider shall be at the Company's sole discretion. The Company reserves the right to test customer's ability to reduce load to Firm Demand Level (FDL) providing the Company has not requested a Curtailment during the previous twelve months. The customer agrees to prepare a formal, written Curtailment Plan prior to taking service under this schedule. Company shall provide customer with an outline of information required within this Plan. Customer shall file a copy of the current plan with the Company.

SPECIAL PROVISIONS

The Company shall furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference between non-standard and standard service or pays to the Company its normal monthly facility charge based on such difference in costs. The Company will require the customer to install, at customer's expense, a dedicated telephone line or other electronic means to receive notification from the Company. Company reserves the right to electronically record verbal conversations of the Notification of Curtailment.

TERM OF CONTRACT

The contract terms will depend on the conditions of service. The customer must have a continuous five year contract with a three year notice of notification.

Effective for bills rendered on and after
the first billing cycle of January 1997

SECOND AMENDMENT TO CONTRACT FOR ELECTRIC SERVICE

WHEREAS, South Carolina Electric & Gas Company, (hereafter called "Company") and SMI Steel - South Carolina, (hereafter called "Customer") have entered into a Contract (contract number - ~~E970138~~ E9702138) dated June 1, 1997 ("Contract"), and Amendment to Contract for Electric Service, dated November 25, 2002 ("First Amendment") and, TEH

WHEREAS, Company and Customer now desire to further amend said Contract for Electric Service in certain particulars:

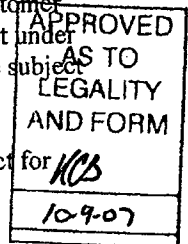
NOW, therefore, for and in consideration of the mutual covenants herein contained, the parties hereto agree:

1. Amend the Contract and subsequent amendments to substitute Owen Electric Steel of South Carolina D/B/A CMC Steel South Carolina for SMI Steel - South Carolina for the purposes of reflecting a name change.
2. This Second Amendment along with the predecessor agreements listed above shall remain in effect until December 31, 2011 or the date South Carolina Electric & Gas Company implements newly approved rates following its next non-fuel rate action before the South Carolina Public Service Commission, whichever occurs later. (Docket 2007-229-E shall not be considered to be South Carolina Electric & Gas Company's next non-fuel rate action before the South Carolina Public Service Commission.)

Except as noted herein, all other provisions of the Contract dated June 1, 1997, and Amendment of Contract for Electric Service dated November 25, 2002 shall remain in full force and effect and this Second Amendment shall be attached to and by this reference incorporated into the said Contract and made a part of the agreement of the parties for electric service.

Company and Customer hereby agree to keep the terms of this Contract confidential. The Customer agrees to support the Company in its request to the SC Public Service Commission to file this Contract under seal. This Contract is subject to the approval of the Commission, and any and all provisions herein are subject to change by orders of the Commission.

In Witness whereof, the parties hereto have duly executed this Second Amendment to Contract for electric service this 9th day of OCTOBER, 2007.



Witness:

[Signature]

South Carolina Electric & Gas Company

By: Thomas E. Hanzlik

Print: Thomas E. Hanzlik

Its: Manager - Large Customer Group

Witness:

Sharon Hamsch

Owen Electric Steel of South Carolina

By: Dennis Malatek

Print: Dennis Malatek

Its: Vice-President/General Manager

CLP # E9702138

RCVD

FOURTH AMENDMENT TO CONTRACT FOR ELECTRIC SERVICE

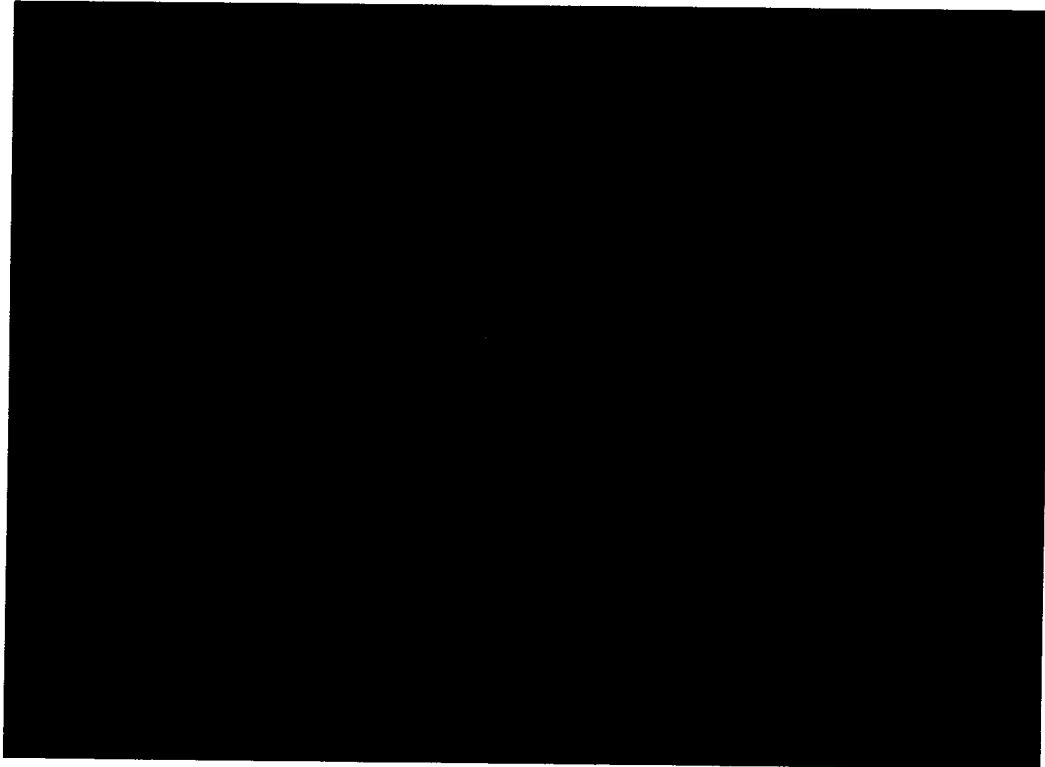
(Related to SMI Arc Furnace)

1 **WHEREAS**, South Carolina Electric & Gas Company (hereafter called "SCE&G" or
2 "Company") and Owen Electric Steel of South Carolina D/B/A CMC Steel South Carolina
3 (hereafter called "Customer") have previously entered into a Contract for Electric Service
4 (contract number – E970137) dated June 1, 1997 ("Arc Furnace Contract"), an Amendment to
5 Contract for Electric Service, dated May 1, 2002 ("First Amendment"), an Amendment to
6 Contract for Electric Service, dated May 2, 2005 ("Second Amendment"), and a Third
7 Amendment to Contract for Electric Service, dated October 9, 2007 ("Third Amendment") for
8 the provision of electric service to the SMI Arc Furnace, and

9 **WHEREAS**, Company and Customer now desire to further amend said Arc Furnace
10 Contract in certain particulars:

11 **NOW**, therefore, for and in consideration of the mutual covenants herein contained, the
12 parties hereto agree to the terms of this Fourth Amendment to Contract for Electric Service
13 ("Fourth Amendment"):

- 14 1. Ten days after the Company's receipt of written notice of Customer's election to
15 proceed pursuant to the terms of this Fourth Amendment, the rate terms set forth
16 in the Arc Furnace Contract, the First Amendment, the Second Amendment, and
17 the Third Amendment shall be further amended as follows:
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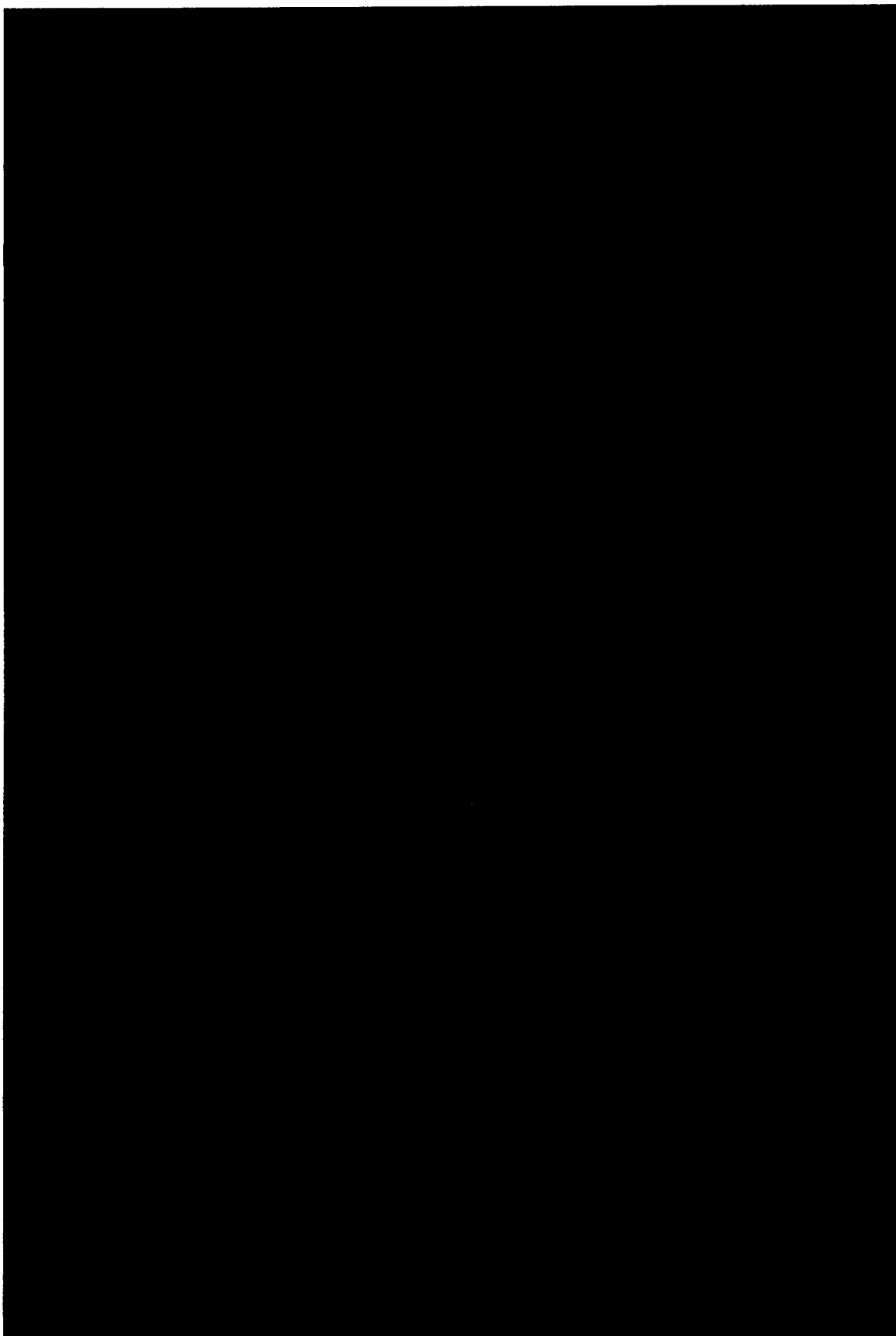


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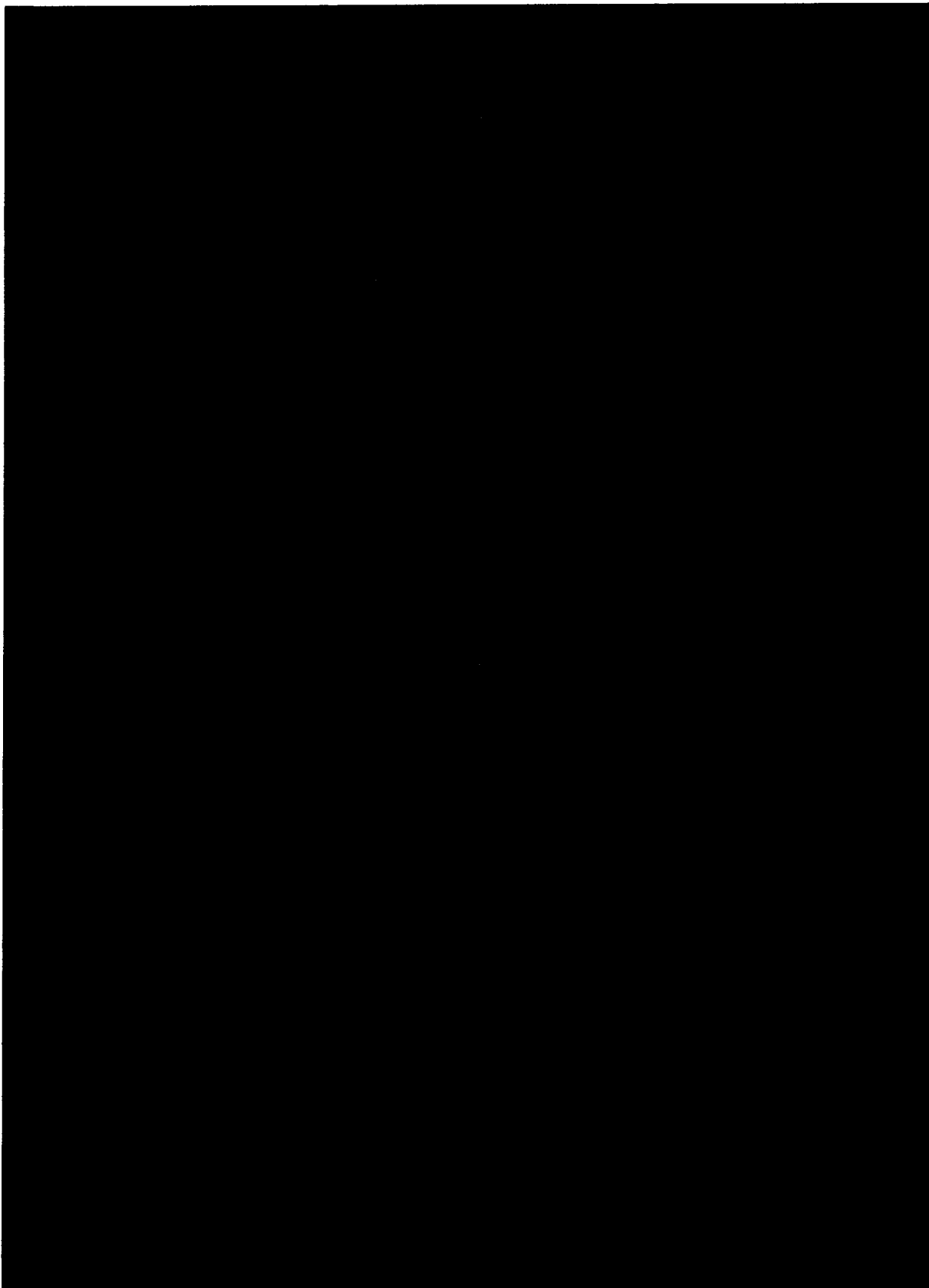
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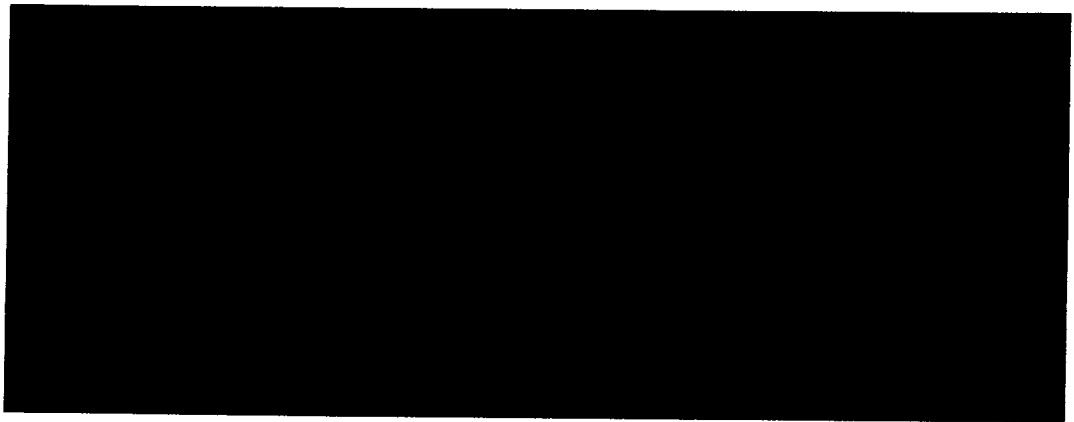
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13 6. This Fourth Amendment along with the predecessor agreements listed
14 hereinabove, subject to the terms and conditions contained herein, shall remain in
15 effect until December 31, 2013, or the date South Carolina Electric & Gas
16 Company implements newly approved rates following its next non-fuel, non-
17 nuclear base rate case before the Commission, whichever occurs later.

18 Except as specifically amended herein, all other provisions of the Arc Furnace Contract
19 and the First Amendment, Second Amendment and Third Amendment thereto shall remain in
20 full force and effect and this Fourth Amendment shall be attached to and by this reference
21 incorporated into the said Arc Furnace Contract and made a part of the agreement of the parties
22 for electric service.

23 Company and Customer hereby agree to keep the terms of the Arc Furnace Contract and
24 subsequent amendments confidential, including this Fourth Amendment. The Customer agrees
25 to support the Company in any request to the Commission to file this Fourth Amendment under
26 seal. This Fourth Amendment is subject to the approval of the Commission and any and all
27 provisions herein are subject to change by orders of the Commission.

28
29 [SIGNATURE PAGE FOLLOWS]
30

South Carolina Electric & Gas Company

Witness:

Chris Kleckley

By:

Print:

Its:

DATED: 6-21-10

William G Watkins
WILLIAM G. WATKINS
MANAGER, LARGE CUSTOMERS.

Owen Electric Steel of South Carolina

Witness:

Shawn H. Bussett

By:

Print:

Its:

Dennis Malatek
DENNIS MALATEK
VP/GM